

EXHIBIT “B”



**Service of Process
Transmittal**

09/09/2019

CT Log Number 536209677

TO: JOHN HENLEY
UPC Insurance (NASDAQ: UIHC)
800 2ND AVENUE SOUTH
SAINT PETERSBURG, FL 33701

RE: Process Served in Texas

FOR: United Property & Casualty Insurance Company (Domestic State: FL)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION: VIVIAN LY, Pltf. vs. UNITED PROPERTY & CASUALTY INSURANCE COMPANY, Dft.

DOCUMENT(S) SERVED: Citation, Petition, Interrogatories, Requests

COURT/AGENCY: 61st Judicial District Court Harris County, TX
Case # 201961435

NATURE OF ACTION: Insurance Litigation

ON WHOM PROCESS WAS SERVED: C T Corporation System, Dallas, TX

DATE AND HOUR OF SERVICE: By Certified Mail on 09/09/2019 postmarked on 09/06/2019

JURISDICTION SERVED : Texas

APPEARANCE OR ANSWER DUE: By 10:00 a.m. on the Monday next after the expiration of 20 days after you were served (Document(s) may contain additional answer dates)

ATTORNEY(S) / SENDER(S): James Willis
Daly & Black, P.C.
2211 Norfolk St., Suite 800
Houston, TX 77098
713-655-1405

ACTION ITEMS: SOP Papers with Transmittal, via UPS Next Day Air , 1ZX212780114323495

Image SOP

Email Notification, Legal Department LAWSUIT@upcinsurance.com

Email Notification, Tracey Reed treed@upcinsurance.com

Email Notification, Gilbert Rodriguez grodriguez@upcinsurance.com


SIGNED: C T Corporation System
ADDRESS: 1999 Bryan Street
Suite 900
Dallas, TX 75201

For Questions: 214-932-3601



MARILYN BURGESS
HARRIS COUNTY DISTRICT CLERK
P.O. BOX 4651
HOUSTON, TEXAS 77210-4651



neopost[®] FIRST-CLASS MAIL
09/06/2019
US POSTAGE \$007.90⁹
 ZIP 77002
041M12252396

UNITED PROPERTY & CASUALTY INSURANCE
COMPANY by serving CT Corporation System
1999 BRYAN ST SUITE 900
DALLAS, TEXAS 75201-4284

CAUSE NO. 201961435

RECEIPT NO. 75.00 CTM
***** TR # 73666897

PLAINTIFF: LY, VIVIAN In The 61st
vs. Judicial District Court
DEFENDANT: UNITED PROPERTY & CASUALTY INSURANCE COMPANY of Harris County, Texas
61ST DISTRICT COURT
Houston, TX

CITATION (CERTIFIED)
THE STATE OF TEXAS
County of Harris

TO: UNITED PROPERTY & CASUALTY INSURANCE COMPANY (INSURANCE COMPANY)
MAY BE SERVED BY SERVING ITS REGISTERED AGENT CT CORPORATION SYSTEM
1999 BRYAN STREET SUITE 900 DALLAS TX 75201 - 4284
Attached is a copy of PLAINTIFFS ORIGINAL PETITION FIRST SET OF INTERROGATORIES REQUESTS FOR PRODUCTION AND REQUESTS FOR ADMISSIONS

This instrument was filed on the 29th day of August, 2019, in the above cited cause number and court. The instrument attached describes the claim against you.
YOU HAVE BEEN SUED, You may employ an attorney. If you or your attorney do not file a written answer with the District Clerk who issued this citation by 10:00 a.m on the Monday next following the expiration of 20 days after you were served this citation and petition, a default judgment may be taken against you.

TO OFFICER SERVING:
This citation was issued on 4th day of September, 2019, under my hand and seal of said Court.

Issued at request of:
WILLIS, JAMES WINSTON
2211 NORFOLK ST, SUITE 800
HOUSTON, TX 77098
Tel: (713) 655-1405
Bar No.: 24088654



Marilyn Burgess
MARILYN BURGESS, District Clerk
Harris County, Texas
201 Caroline, Houston, Texas 77002
(P.O. Box 4651, Houston, Texas 77210)

Generated By: YARN, HILDA M63//11315177

CLERK'S RETURN BY MAILING

Came to hand the _____ day of _____, _____, and executed by mailing to Defendant certified mail, return receipt requested, restricted delivery, a true copy of this citation together with an attached copy of PLAINTIFFS ORIGINAL PETITION FIRST SET OF INTERROGATORIES REQUESTS to the following addressee at address:

ADDRESS
(a) ADDRESSEE
Service was executed in accordance with Rule 106
(2) TRCP, upon the Defendant as evidenced by the return receipt incorporated herein and attached hereto at

on _____ day of _____,
by U.S. Postal delivery to _____
This citation was not executed for the following reason: _____
MARILYN BURGESS, District Clerk
Harris County, TEXAS
By _____, Deputy

2019-61435 / Court: 061

CAUSE NO. _____

VIVIAN LY,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
vs.	§	
	§	HARRIS COUNTY, TEXAS
UNITED PROPERTY & CASUALTY	§	
INSURANCE COMPANY,	§	
	§	
Defendant.	§	_____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Vivian Ly ("Ms. Ly"), Plaintiff herein, files this Original Petition against Defendant United Property & Casualty Insurance Company ("UPC") and, in support of her causes of action, would respectfully show the Court the following:

I.
THE PARTIES

1. Vivian Ly is a Texas resident who resides in Harris County, Texas.
2. UPC is an insurance company doing business in the State of Texas which may be served through its registered agent for service of process in the State of Texas, CT Corporation System, via certified mail at 1999 Bryan Street, Suite 900, Dallas, Texas 75201-4284.

II.
DISCOVERY

3. This case is intended to be governed by Discovery Level 2.

III.
CLAIM FOR RELIEF

4. The damages sought are within the jurisdictional limits of this court. Plaintiff currently seeks monetary relief over \$100,000, but not more than \$200,000, including damages of any kind, penalties, costs, expenses, pre-judgment interest, and attorney's fees.

IV.
JURISDICTION AND VENUE

5. This court has subject matter jurisdiction of this cause of action because it involves an amount in controversy in excess of the minimum jurisdictional limits of this Court.

6. Venue is proper in Harris County because all or a substantial part of the events or omissions giving rise to the claim occurred in Harris County. TEX. CIV. PRAC & REM CODE § 15.002(a)(1). In particular, the loss at issue occurred in Harris County.

V.
FACTUAL BACKGROUND

7. Ms. Ly is a named insured under a property insurance policy issued by UPC.

8. On or about August 20, 2018 a storm hit the Houston, Texas area, damaging Ms. Ly's house and other property. Ms. Ly subsequently filed a claim on her insurance policy.

9. Defendant improperly denied and/or underpaid the claim.

10. The adjuster assigned to the claim conducted a substandard investigation and inspection of the property, prepared a report that failed to include all of the damages that were observed during the inspection, and undervalued the damages observed during the inspection.

11. This unreasonable investigation led to the underpayment of Plaintiff's claim.

12. Moreover, UPC performed an outcome-oriented investigation of Plaintiff's claim, which resulted in a biased, unfair and inequitable evaluation of Plaintiff's losses on the property.

VI.
CAUSES OF ACTION

13. Each of the foregoing paragraphs is incorporated by reference in the following:

A. Breach of Contract

14. UPC had a contract of insurance with Plaintiff. UPC breached the terms of that contract by wrongfully denying and/or underpaying the claim and Plaintiff was damaged thereby.

B. Prompt Payment of Claims Statute

15. The failure of UPC to pay for the losses and/or to follow the statutory time guidelines for accepting or denying coverage constitutes a violation of Section 542.051 *et seq.* of the Texas Insurance Code.

16. Plaintiff, therefore, in addition to Plaintiff's claim for damages, is entitled to interest and attorneys' fees as set forth in Section 542.060 of the Texas Insurance Code.

C. Bad Faith

17. Defendant is required to comply with Chapter 541 of the Texas Insurance Code.

18. Defendant violated Section 541.051 of the Texas Insurance Code by:

(1) making statements misrepresenting the terms and/or benefits of the policy.

19. Defendant violated Section 541.060 by:

(1) misrepresenting to Plaintiff a material fact or policy provision relating to coverage at issue;

(2) failing to attempt in good faith to effectuate a prompt, fair, and equitable settlement of a claim with respect to which the insurer's liability had become reasonably clear;

- (3) failing to promptly provide to Plaintiff a reasonable explanation of the basis in the policy, in relation to the facts or applicable law, for the insurer's denial of a claim or offer of a compromise settlement of a claim;
- (4) failing within a reasonable time to affirm or deny coverage of a claim to Plaintiff or submit a reservation of rights to Plaintiff; and
- (5) refusing to pay the claim without conducting a reasonable investigation with respect to the claim;

20. Defendant violated Section 541.061 by:

- (1) making an untrue statement of material fact;
- (2) failing to state a material fact necessary to make other statements made not misleading considering the circumstances under which the statements were made;
- (3) making a statement in a manner that would mislead a reasonably prudent person to a false conclusion of a material fact;
- (4) making a material misstatement of law; and
- (5) failing to disclose a matter required by law to be disclosed.

21. Defendant's violations of Chapter 541 of the Texas Insurance Code enumerated above caused damages to Plaintiff in at least the amount of policy benefits wrongfully withheld.

22. Defendant knowingly committed the acts complained of. As such, Plaintiff is entitled to exemplary and/or treble damages pursuant to Texas Insurance Code Section 541.152(a)-(b).

D. Attorneys' Fees

23. Plaintiff engaged the undersigned attorney to prosecute this lawsuit against Defendant and agreed to pay reasonable attorneys' fees and expenses through trial and any appeal.

24. Plaintiff is entitled to reasonable and necessary attorney's fees pursuant to Texas Civil Practice and Remedies Code Sections 38.001-38.003 because she is represented by an attorney, presented the claim to Defendant, and Defendant did not tender the just amount owed before the expiration of the 30th day after the claim was presented.

25. Plaintiff further prays that she be awarded all reasonable attorneys' fees incurred in prosecuting her causes of action through trial and any appeal pursuant to Sections 541.152 and 542.060 of the Texas Insurance Code.

**VII.
CONDITIONS PRECEDENT**

26. All conditions precedent to Plaintiff's right to recover have been fully performed, or have been waived by Defendant.

**VIII.
DISCOVERY REQUESTS**

27. Pursuant to Rule 194, you are requested to disclose, within fifty (50) days after service of this request, the information or material described in Rule 194.2(a)-(l).

28. You are also requested to respond to the attached interrogatories, requests for production, and requests for admissions within fifty (50) days, in accordance with the instructions stated therein.

**IX.
PRAYER**

WHEREFORE, PREMISES CONSIDERED, Vivian Ly prays that, upon final hearing of the case, she recover all damages from and against Defendant that may reasonably be established

by a preponderance of the evidence, and that Ms. Ly be awarded attorneys' fees through trial and appeal, costs of court, pre-judgment interest, post-judgment interest, and such other and further relief, general or special, at law or in equity, to which Ms. Ly may show herself to be justly entitled.

Respectfully submitted,

DALY & BLACK, P.C.

By: /s/ James Willis
James Willis
TBA No. 24088654
jwillis@dalyblack.com
Richard D. Daly
TBA No. 00796429
rdaly@dalyblack.com
ecfs@dalyblack.com
2211 Norfolk St., Suite 800
Houston, Texas 77098
713.655.1405—Telephone
713.655.1587—Fax

**ATTORNEYS FOR PLAINTIFF
VIVIAN LY**

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**UNITED PROPERTY & CASUALTY INSURANCE
COMPANY** by serving CT Corporation System
1999 BRYAN ST SUITE 900
DALLAS, TEXAS 75201-4284



9590 9402 4604 8323 5894 68

2. Article Number (Transfer from service label)

7018 1830 0001 4424 9011

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

T. Thongsavat

☐ Agent☐ Addressee

B. Received by (Printed Name)

Terri Thongsavat

C. Date of Delivery

SEP 09 2019

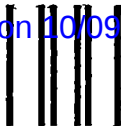
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

2019-61435

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 4604 8323 5894 68

United States
Postal Service

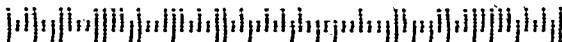
FILED
MARILYN BURGESS
DISTRICT CLERK
HARRIS COUNTY, TEXAS

2019 SEP 17 AM 7:08
09-17-19

• Sender, Please print your name, address, and ZIP+4® in this box •

MARILYN BURGESS
HARRIS COUNTY DISTRICT CLERK
P.O. Box 4651
HOUSTON, TEXAS 77210-4651

BY MAIL PROCESSING 10MIN



CAUSE NO: 2019-61435

VIVIAN LY	§	IN THE DISTRICT COURT OF
	§	
VS.	§	
	§	HARRIS COUNTY, TEXAS
UNITED PROPERTY & CASUALTY	§	
INSURANCE COMPANY	§	
	§	
	§	61st JUDICIAL DISTRICT

DEFENDANT, UNITED PROPERTY & CASUALTY INSURANCE COMPANY'S
ORIGINAL ANSWER TO PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, United Property & Casualty Insurance Company ("United Property,") in the above-entitled and numbered cause and files this, its Answer to Plaintiff's Original Petition, and would respectfully show unto the Court the following:

I.

GENERAL DENIAL

United Property & Casualty Insurance Company asserts a general denial as is authorized by Rule 92 of the Texas Rules of Civil Procedure, and requests that Plaintiff be required to prove his charges and allegations against United Property & Casualty Insurance Company by a preponderance of the evidence as is required by the Constitution and law of the State of Texas.

II.

DEFENSES

2.1 United Property & Casualty Insurance Company denies that the required conditions precedent were performed and/or occurred.

2.2 United Property issued a policy of insurance to Plaintiff, and United Property adopts its terms, conditions and exclusions as if copied *in extenso*.

2.3 The Policy does not cover wear and tear, marring, deterioration; mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

2.4 The Policy does not cover damages which occurred prior to Policy inception or after Policy expiration regardless of whether such damages were apparent at the time of the inception of the Policy or discovered at a later date. To the extent that any part of the loss which Plaintiff complains did not occur during the applicable policy period, the Policy provides no coverage for same.

2.5 United Property's obligation to pay under the Policy extends, if at all, only to a covered loss that exceeds the Policy deductible. If there is an obligation to pay, it applies only to the amount of covered loss that exceeds the deductible.

2.6 United Property is entitled to any credits or set-offs for prior payments by United Property or other third parties.

2.7 To the extent that some or all of Plaintiff's claims may have been fully adjusted and payment tendered, Plaintiff is only entitled to one satisfaction or recovery for his alleged damages.

2.8 To the extent that Plaintiff's damages are determined to be the result of a failure by Plaintiff to take reasonable steps to mitigate the loss, those damages are not recoverable.

2.9 To the extent that all statutory and policy requisites have not been satisfied, this suit is premature.

III.

REQUEST FOR DISCLOSURE

Pursuant to Rule 194, Plaintiff is requested to disclose the information or material described in Rule 194.

IV.

PRAYER FOR RELIEF

WHEREFORE, PREMISES CONSIDERED, Defendant, United Property & Casualty Insurance Company, respectfully prays that Plaintiff take nothing by his suit, that Defendant recovers costs, and for such other and further relief, both at law and in equity, to which United Property & Casualty Insurance Company may be justly entitled.

Respectfully submitted,

LEWIS BRISBOIS BISGAARD & SMITH, LLP



Sarah R. Smith

TBA No: 24056346

Rachael S. Fountain

TBA No: 24097702

24 Greenway Plaza, Suite 1400

Houston, Texas 77046

Phone: (713) 659-6767

Fax: (713) 759-6830

sara.smith@lewisbrisbois.com

rachael.fountain@lewisbrisbois.com

ATTORNEYS FOR DEFENDANT, UNITED
PROPERTY & CASUALTY INSURANCE
COMPANY

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above pleading has been forwarded pursuant to the Texas Rules of Civil Procedure on this 30th day of September, 2019.

James Willis
Richard D. Daly
Daly & Black, P.C.
2211 Norfolk Street, Suite 800
Houston, Texas 77098
ecfs@dalyblack.com
rdaly@dalyblack.com
Attorneys for Plaintiffs

Via Eserve



Sarah R. Smith